

THE ULTIMATE GUIDE TO LEADING ORGANIZATIONAL GULTURE CHANGE



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The leader's role in organizational change is not to define the change but rather to enlist and support team members to create and own an organizational culture that helps them to be personally successful in the process of achieving organizational gaols. This document focuses on the organization culture element of change and how that affects engagement and organizational effectiveness.

Each organizational change process has two elements:

- 1. Local Factors the specific strategies that related to the type and structure of the organization
- 2. Global Factors the foundational psychology and strategy that is fundamental across all organizational change initiatives

Each element has various chapters to identify the strategies of achieving "sustainable" organizational change, and the key word for this guide is sustainability. Too many initiatives are not only never fully implemented, but if they are, only a limited percentage is sustainable.

4 TYPES OF ORGANIZATIONAL CHANGE

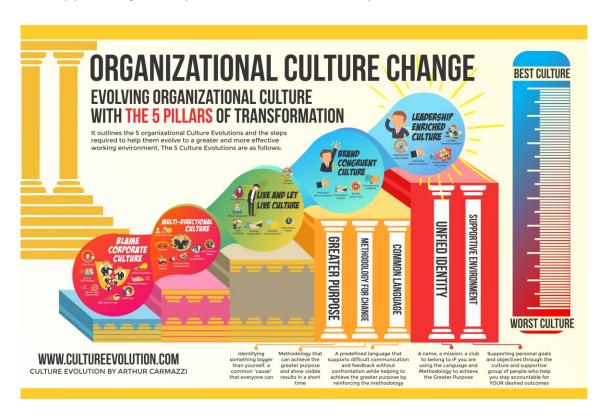
- Technological applications of technology to enhance operations or improve efficiency.
- Structural change in organizational structure lateral expansion, consolidation of resources, downsizing, product group consolidation...
- Philosophical the entire mission and direction of an organization changes to reinventitself to be current and sustainable
- Psychological changing organizational culture, leadership styles, management processes, HR policies... for the purpose of improving efficiency, innovation and engagement.



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In this document, we will be focusing on No. 4, leading organizational culture change and the most current ideas and processes that have achieve 100% sustainable results. But before any initiative can start, you must have a benchmark of where your culture currently is and an idea of what you want it to be. To achieve this, we will use the "Carmazzi Culture Evolution" model which identifies the 5 levels of organizational culture.

When change is connected to the organization's culture, it will have a direct impact on the team and their engagement. And if that culture impact is communicated to show the potential benefits in the personal success of team members through the work place, it supports a greater promise the team can hope to achieve.





BLAME CULTURE

Characteristics:

- Little trust
- Act in self interest
- do not take many risks
- do not usually speak their mind
- do not come up with many new ideas
- paycheck driven
- inefficient
- stagnating growth
- avoid responsibility
- high level of fear

Primary values of a Blame Culture are:

- 1. Avoid conflict
- 2. Self preservation

Considerations in Evolving a Blame Culture:

- Look at the leader. Are employees reprimanded every time they make a mistake?
 - Consider re-assessing the reactions to mistakes as "learning events"
 - Even if there is a cost associated to the mistake, that would be a training investment and would usually be far less expensive than an ineffective and stagnant Blame Culture
- If organizational culture change is to occur, a guided transition must include working with two high visibility low level employees to take risk (or "Appear" to take risk) with new ideas, and be rewarded for it.



- If organizational culture change is to occur, a guided transition must include working with two high visibility low level employees to take risk (or "Appear" to take risk) with new ideas, and be rewarded for it.
 - Rearward one on success and the other on failure
 - Emphasize the reward is for trying something new. (you may need to assist them in coming up with that something new, but make sure they get credit for it)
 - Implement the successful idea IMMEDIATELY
 - Assist the failed idea to turn it into a useful one (publicly and respectfully) and then implement that immediately
- Observe changes and continue with the strategy of encouraging risk and free thought.

MULTI-DIRECTIONAL CULTURE

Characteristics:

- Little communication
- People involved within their own departments only
- Loyalty is to specific groups and not to the organization
- Cliquish
- Lots of gossip
- Critical of other departments
- Little cross-departmental cooperation

Primary values of a Multi-Directional Culture are:

- 1. Don't get involved in other people's business
- 2. Responsibility stops at your own job description



Considerations in Evolving a Multi-Directional Culture:

- Does the organization have a common goal that everyone can "Relate to"?
 - Consider finding out what people like about the organization, use that to formulate a reason for the organizations existence (besides making money)
 - Use this consistently in all internal communications to reinforce a common vision.
 - Include contests and rewards for individuals who best demonstrate that vision
- Does your organization have an effective internal communication system of process?
 - Does senior management still communicate with the staff? Senior management should make regular appearances and address the issues to the entire organization.
 - Do you have a feedback system and a reward system for using it? Get one.
- Are departments segregated?
 - Do you have Standard Operating Procedures for cross departmental cooperation? Get your staff to vent their frustrations and use that to make SOP's that solve these frustrations.
 - Implement these immediately and get the frustrated staff to carry it through.
- Train your staff in communication awareness
 - Apply Directive Communication psychology principals to cultivate an awareness of group dynamics and the psychology of cooperation and communication
 - Use Communication multiplying tools such as the CBC Cards
- View the results and maintain the strategies



LIVE AND LET LIVE CULTURE

Characteristics:

- Complacency
- Mental Stagnation
- Low Creativity
- Average cooperation
- Average communication
- Little future vision
- · Work in the moment for future goals
- · Monotonous routine
- Lacks passion

Primary values of a Live and let live Culture are:

- 1. Keep the status quo
- 2. Don't complicate matters
- 3. If it's not broken, don't fix it

Considerations in Evolving a Live and let live Culture:

- Do your people feel like they are important to the organisation?
 - Cultivate a base of trust by allowing people some freedom to make decisions
 - Attach KPI's to that freedom and measure at least every month
 - Give people a sense of progress and recognition for their actions
- Do your people use and believe in your products or service?
 - Are they proud of what your organization does? Involve them in its development.



- Do they feel like they contribute to your product's or service's growth?
 - Find 3 or 4 key individuals and assist them to add value to your organisation with how to improve products or service
 - Publicly praise and reward them
- Get publicity for your organisation to make it more publicly visible.
 - Involve your employees (or teams) in the PR process and get them quoted by the press (after coaching of course)
 - Observe changes and continue with the strategy of encouraging risk and free thought.
- Make policies that will put your contributing employees Before Your Customers

BRAND CONGRUENT CULTURE

Characteristics:

- People believe in the product or service of the organization
- People feel good about what their company is trying to achieve
- Cooperation is good
- People have a similar goal in the organisation
- Use personal resources to actively solve problems
- Not limited to job description, will actively look for solutions
- Most everyone is in sales, marketing and PR; they are walking ambassadors
- No conflict between organisations promise to customers and employees
- Many are passionate about the product/service



Primary values of a Brand Congruent Culture are:

- 1. Believe what you say
- 2. Live what you believe
- 3. Product/service Improvement is everyone's responsibility

Considerations in Evolving a Brand Congruent Culture:

- Have people become aware of their personal goals and values?
 - Cultivate a continuous improvement campaign for the individuals
 - Infuse the idea that leadership is not a position but an identity that lets you excel in your endeavours.
 - Apply Directive Communication based Leadership training to align your people with an organisational culture centred leadership identity
- Have leaders let go of ego and contribute by letting those who are in lesser positions of power, but are qualified, make decisions in their place?
 - Empowerment only works if people use it. People must be developed as leaders in their own areas.
 - Excess bureaucracy and control kills empowerment and leadership development.
- Is the cooperation within the organisation for the job or a sincere action to contribute to others success?
 - Alignment of personal and organisational/group goals and values is essential for evolving to the next step
 - Apply Directive Communication psychology alignment strategies such as the 6 step Creative Synergy Program



LEADERSHIP ENRICHED CULTURE

Characteristics:

- People view the organisation as an extension of themselves
- People feel good about what they personally achieve through the organisation
- Cooperation is exceptional
- Individual goals are aligned with the goals of the organisation
- People use group resources to actively solve problems
- Not limited to job description, will do what it takes to make things happen
- Most everyone is in sales, marketing and PR; they are walking ambassadors
- People are consistently brining out the best in each other
- Leaders do not develop followers, but develop other leaders
- Leadership is contribution driven and not ego driven
- Very Low employee turnover
- Most are passionate about the organisation and what it represents

Primary values of a Leadership Enriched Culture are:

- 1. Everyone has something to offer to you and the organisation
- 2. By assisting others to be their best, you will become better
- 3. Leadership is an identity one must adopt, it is not a skill

Once we know at what level our culture is at, we define three factors before continuing on an organizational culture change strategy.

- 1. An understanding and label of where we are and what that means to our fulfilment and effectiveness as people in the organization.
- 2. A specific path and defined characteristics to improve
- 3. An opportunity to create milestones and show progress to maintain motivation throughout the process.



Culture Benchmarking can be done an internal survey allowing team member segments: Senior management, Middle management, and Staff to anonymously rate the characteristics above from 1 to 10. Tabulate the findings and compare segments to each other, then compile all segments and compare the overall perspective to each individual segment.

The other option would be to take the Culture Evolution Assessment — a culture benchmarking tool that uses the Culture Evolution model. This assessment creates the first benchmark then allows organizations to retake the assessments and compare how much (or how little) they have evolved. The assessment also tabulates and illustrates elements of the multiple culture evolution levels to help organizations see both positive and negative elements to reinforce or work on for organization change. This benchmarking assessment can be found at: www.cultureevolution.com

THE MOTIVE AND MOTIVATION BEHIND GULTURE BENCHMARKING

Most organizations have a vision... (even if they don't know what it is really for). The concept of a company "Vision" is designed to provide a guiding purpose the is the foundation for every decision made in the organization... always asking: "is this decision in line with the organizations vision". Most organizations however do not communicate how far or close the team is to achieve that vision... which usually leads to most people forgetting about the vision.

Organizational change has the same emotional foundation as vision, only that there are specific structures and processes in place to achieve the specific "change" result which ideally should have a promise of something better instore for the team. Which brings us back to culture benchmarking.

We need to know how far or close we are from the change objective... and we need to periodically check to see our improvement for two reasons:



- 1. Keeping the change objectives constantly in the minds of the team.
- 2. Motivating the team by confirming what they have achieved is of value in reaching the objectives

One of the primary reason's leaders have difficulty in engaging their team in organizational change is that there are not enough milestones to measure and show progress of an initiative... not enough reasons to celebrate and people lose interest and sight of the bigger promise of a more efficient and possibly more fun work environment.

So when we know where we are, and regularly check our progress in relationship to our organizational change promise/objective, it provides opportunities to calibrate.

We use the Culture Evolution Assessment (<u>www.cultureevolution.com</u>) for this purpose.

BUILDING THE 5 PILLARS OF SUSTAINABLE ORGANIZATIONAL GULTURE CHANGE

Regardless of the practical and strategic elements of an organizational change initiative, the human factors must be in place for change to happen. Engagement is the key and engagement for change requires the five foundational pillars to succeed.

Pillar #1 – there must be a greater purpose

The biggest mistake organizations make with their organization change initiatives is believing that the employees, team, and even senior management's lives are centred around the organization and its success... and so they move to create organizational cultures around that premise. But as human beings, our loyalty is not to an organization, but rather to emotional ideals and how those ideals benefit us.

To capture true loyalty, the people must own the thing they are loyal to... and since everyone cannot "Own" your organization, we find the next best thing... an ideal that benefits the people and makes them feel emotionally connected to something bigger than themselves... a Greater Purpose!

But that leaves the BIG question... How do you get EVERYONE to have the Same Greater Purpose?

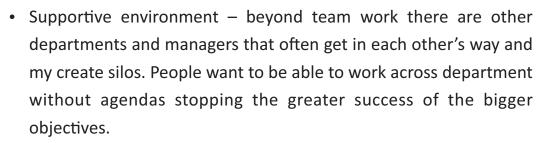


Fortunately, we have researched this question and surprisingly there is an answer that applies to everyone. In 53 different countries to over 80,000 people, different education levels and cultures, positions from CEO to Janitor, we have asked one question: "What is your Ideal Working Environment?"

This question has yielded 5 primary factors that most everyone can agree with. These Ideal Working Environment Factors are as follows:

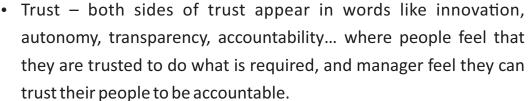


Team work – people working on together on the same team and helping each other to achieve team goals.





 Clarity – whether they use the words, transparency, vision, direction... people want to have an idea of what they need to do to be successful (and be recognised for that success) in the organization.



- Fun self-explanatory, fun is the absence of Boring!



If we connect the Greater Purpose of "Creating the Ideal Working Environment", we have a platform that will serve both Organization and Employee... and we have the first Pilar of organizational change set and the first key to getting buy-in to any change initiative.



Pillar #2 – Having a Methodology to Achieve the Greater Purpose

It is quite difficult to get people excited about the Greater Purpose if they don't believe it could actually happen... and they usually don't. So providing them with a methodology that gets fast visible results (we mean really fast, like within the first week) is needed to get the continued engagement and excitement of the staff to push the initiative fast forward.

The methodology applied needs to provide the psychological tools for people to believe they can achieve this Greater Purpose and become more successful in their jobs and results... Yes, the majority of people WANT to be more successful in their work, but many have become disengaged or given up due to politics, lack of trust or respect, or lack of a clear direction... The Ideal working environment provides the remedy for this state of "going through the motions".

There are numerous methodologies that can achieve this, like Peter Senge's Learning Organization, and of course the Directive Communication Psychology which is designed for this purpose.

There are 11 keys to a successful "organizational change methodology":

- Must be easy for all staff at all levels to apply
- There must be a visible practical personal benefit to the outcome
- It must support individuals to find greater facets of who they can become
- It must easily and neutrally create awareness's that support a greater understanding of other's actions and processes
- It must connect personal success with organizational success
- It must have built in "application" and reinforcement mechanisms to perpetuate its implementation
- It must be able to provide fast, visible results
- It must not try to "change" people, but rather, Enhance them.
- It should provide practical tools to measure and connect everyone that support awareness
- There need to be clear parameters of what to do to achieve the Ideal Work environment objective
- It must contain and reference predefined communication



Pillar #3 – Having a Common Language that reinforces the Methodology

Predefined communication is the idea that one word, acronym, or phrase provides an association to a much larger meaning and understanding of a specific process, awareness, or concept.

When a "methodology" has a Common Language, practical applications of entire concepts which individuals learn can easily be applied through this language...

To manifest organizational change, people need to have the "Greater Purpose" in mind consistently. Having a language for the specific methodology that is designed to achieve that greater purpose keeps the initiative fresh and helps with sustainability. Every time someone uses the language relating to what they have learned and implemented to achieve this Greater Purpose, not only is the knowledge reinforces but so is the objective... a more effective and engaging work environment at the centre of leading organizational culture change.

Pillar #4 - A Unified Identity

Organizational change needs to be the majorities passion... but it's not easy if the organizational culture and effort belong to the organization. The people need to feel it is "Their" culture, they must own it. The unified identity provides people with a sense of ownership of the organization and helps maintain the passion of an entrepreneur mindset when it comes to the wellbeing of the company.

For organizational change to happen with this type of emotional buy in, we create an elite group. This elite club is populated ONLY by people who are active and want to make a positive impact by creating the Ideal Work Environment by using the Methodology and speaking the Language.

The group must have a Name and a tagline/short mission phrase. It must have Guiding Principles that set the standards of behavior its members commit to, and it has a logo and colors. In essence it is an exclusive club. One that only believers get to be in.



And if you are not a believer, someone who uses the language and applies the methodology... you are the "Enemy". And this is an important role. Throughout history divided factions have united against a common enemy and leading organizational change is no different. Identifying those who would thwart the efforts of the majority in creating the a better place to work and the ownership emotions that go with its creation, helps to unite people more actively to overcome the enemy...

And the easiest way to get rid of an enemy is to make them your friend. In our experience in implementing these initiatives we find the members pool together and strategies on how to get this enemy more involved. In some cases, we have seen efforts last as long as 5 months to convert an owners brother with eventual success.

Of course, not every enemy will convert, some cannot let go of ego or control and then a decision must be made: do they remain in the organization? If the individual has a high value to the organization but little influence over others, it is of little consequence if they stay. But, if they have influence over others, this is the key factor that can DESTROY an organizational change initiative and make leading organizational change an uphill battle.

On average we find that 83% of the people will buy in to this type of bottom up initiative within 9 days, and the majority joining the Unified Identity within 14 days.

Pillar #5 – A Supportive Environment

While this sounds obvious... we should support each other... there is a deeper meaning here related to leading and sustaining organizational change. A new organizational culture must support people where their friends and family do not!

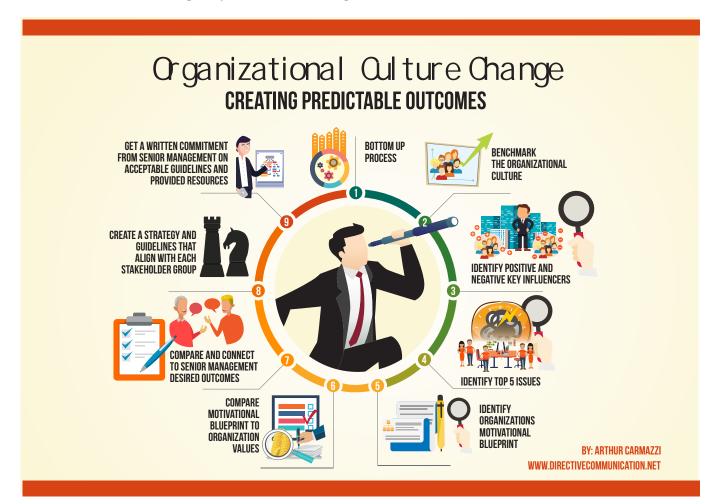
Crazy? Well not so much. We all wish to improve something about ourselves or our life and often we do not have the discipline or support group socially. When we create a Supportive Environment, one where it is safe to share what you personally wish to achieve (anything from stop smoking to write a book), and each person is there to push, reminded, and visibly encourage each other to realize their personal objectives, we nurture attitudes of a higher standard.

This structure is put forth from the inception of an organizational change initiative. But to maximise the impact, it is passed on to the masses by a select group of individuals. These are called "Key Influencers".



CREATING A PREDICTABLE OUTCOME OF THE CULTURE CHANGE INITIATIVE

The success of an organizational change project is largely determined by its predictability in a bottom up initiative. If you have considered a Top Down program, let me present you with this questions: Is it easer to have a small group of senior managers get buy-in from 1000 team members, or, is it easier for a thousand team members to get buy-in for a predictable outcome from a small group of senior managers?





CREATING A PREDICTABLE OUTCOME OF THE CULTURE CHANGE INITIATIVE

Once the organizational culture has been benchmarked, the discovery of what people want to change and who are the positive and negative Key Influencers is essential. There are many expensive and complicated processes to discover gaps in engagement and what areas of improvement will support fast organizational change. We find that simple interviews asking 4 questions and playing a 7 minute game with a 15% cross sample of the participants yields the same results and has the bonus of identifying the company's emotional mix which affect organizational culture. With this simpler process, we can predict the outcome of a bottom up initiative that will be in line with organizational values and create a sustainable and engaged culture.

The Company Motivational Blueprint from a 7-minute emotional profiling game:

The purpose of this is to identify the emotional mix of individuals and determine the primary "Motivational Blueprint" of the organization. When a large enough cross section is complete, we compare it to the values and desired organizational culture. If there is a mismatch, we need to know upfront so we can fix it.

The game is simple. Using a deck of CBC Cards (Colored Brain Communication Cards), we ask each interviewee to choose 5 cards that best describe what they would do if they had Ten Million Dollars.

The cards have specially chosen images that elicit subconscious values, memories, lost knowledge and help individual get more clarity that answering "off the top of their head". When the player choses a card, the image is not what is important, it is the meaning they give to the image that tells the story. These are based on the Directive Communication Psychology, Emotional Drive model that can be seen at: www.emotionaldrive.net/what-are-emotional-drivers combined with the Colored Brain model at: www.coloredbrain.com
The interviewee explains each card and why they chose it. The interviewer interprets the emotional mix and clarity process of the individual. Then combines the data with other interviews and determines the motivational mix of teams and the organization.



In this game the meaning of each image represents a primary emotional drive and also shows which emotional drives are not important. The process or how they explain and chose cards identifies their genetic "ambiguity relief" clarity process (colored brain) that affects how they approach things.

Usually each individual will have 3 to 4 primary emotional drives that affect "WHY" they do what they do and these decisions are filtered through their "HOW" colored brain process. In this effort, we are mostly concerned with their "WHY" which should have similar associations to the organizations "WHY". When these emotional drives align with organizational values and the desired culture, the organizational change process is much easier. When it does not, either we modify the outcome and values of the culture, or we modify the staff mix to get a positive organizational change result.

The purpose of the four questions is to identify two essential factors required to predict the outcomes and catalysts for organizational change.

The 4 questions:

- If you were the CEO, what changes would you make in the organization and its practices?
- What are your biggest frustrations working here?
- Who are the people that you respect and appreciate most in the organization? Why?
- Are there people who you feel are hindering your ability to succeed in this company? Why?

Question 1 and 2 are essentially for the same outcome – identify the issues creating disengagement. Different people will respond to one question more than they would to the other, so we get a more complete perspective.



While we may get some answers like: We want fresh fruit in the pantry. Or everyone should have their own private office... the majority of the answers will relate to issues that MOST of the staff agree with, and that are viable concerns for their own sense of value in relation to the organization, their productivity and emotional connection to the organization, and visible perceived problems that affect their engagement.

The other 2 questions are to identify people who have positive and negative influences on the organizational culture. These are the Key Influencers and the ones who have the potential for positive change will be leading the organizational change program with support from coaches who work with them to implement the methodology.

Connecting to senior management desired outcomes

Buy-in happens before the culture change initiative starts. There are 2 steps to making this work.

- A 1 day session with senior management to identify what they want to achieve in their organizational culture, including the Ideal Work Environment. We discover if the issues identified by the staff and senior manager have gaps and what those gaps are. In most cases we find more similarities than differences. In the case of the ideal working environment, it is always the same.
- The next step is to look at both discoveries, the desired outcomes of the senior management and the frustrations and improvements form the masses. See what matches and identify parameters of time and budget for implementation... then work with senior management to define acceptable parameters and areas of focus for the organizational change and culture initiative. Once senior management agrees on what is acceptable and what is not, the successful and aligned culture change process becomes a matter facilitation to ensure the people in the organization independently come up with the same thing. This is easier that it sounds because they already have identified the biggest issues. So when they come up with often brilliant solutions to solve these issues, it will not be a surprise... it will only be a matter how much time and budget resources they will use to solve them.





To capture the trust and buy-in from the masses, consultants or senior management have limited influence compared to people who already work with them and are trusted and liked. Regardless of their position in the organization, there are individuals who other respect and listen to. These people are key influencers and have the foundations required to lead organizational change.

But not all key influencers support positive change. In our Culture Evolution Change initiative with the Malaysian government, we encountered a very positive young lady who was very ambitious in developing her career. She personally felt that learning and exceling was important for her. She also had a very strong belief that if you did not wish to excel or improve, that was your right, and no organization should try to change you. This young lady had much influence and people listened to her because the message supported less effort. She meant well, but her message was taken literally by the masses who once in the system, could not lose their job, and it negatively affected productivity, engagement, and competency development. But the worst part was that people who were not in her circle, and were encouraged to spend time and effort improving their skills and competency, actually enjoyed their jobs more than those who felt doing as little as required during work time was in their best interest.

To counter this we worked with her and included her with the Positive Key Influencers to understand the consequences of her influence while respecting her values. When she understood her role and some of the counter value consequences of her influence, she supported the initiative and the organizational culture improved for everyone.